2009 DRAFTING REQUEST

Bill

Received: 10/15/2009 Wanted: As time permits For: Jon Erpenbach (608) 266-6670					Received By: pkahler Identical to LRB: By/Representing: Kelly Johnson-Becker			
This file n	nay be shown	to any legislator	:: NO		Drafter: pkahler			
May Cont	act:				Addl. Drafters:	Addl. Drafters:		
Subject:	Insuran	ce - health			Extra Copies:			
Submit via	a email: YES							
Requester	's email:	Sen.Erpenb	ach@legis.	wisconsin.go	ov			
Carbon co	py (CC:) to:							
Pre Topic	c:							
No specifi	c pre topic giv	ven						
Topic:								
Rrequire i	nsurers to pay	providers if bei	nefits are ass	signed				
Instruction	ons:							
See attach	ed							
Drafting	History:					3		
Vers.	<u>Drafted</u>	Reviewed	Typed	Proofed	Submitted	<u>Jacketed</u>	Required	
/?	pkahler 10/19/2009	jdyer 10/22/2009						
/P1			rschluet 10/22/2009	9	mbarman 10/22/2009			
/1	pkahler 11/18/2009	jdyer 11/18/2009	mduchek 11/20/2009	9	sbasford 11/20/2009	cduerst 12/14/2009		

FE Sent For: NONE

<**END>**

Received By: pkahler

2009 DRAFTING REQUEST

Bill

Received: 10/15/2009

Wanted: As time permits					Identical to LRB: By/Representing: Kelly Johnson-Becker				
For: Jon Erpenbach (608) 266-6670 This file may be shown to any legislator: NO									
					Drafter: pkahler				
May Co	ntact:				Addl. Drafters:				
Subject: Insurance - health					Extra Copies:				
Submit v	via email: YES								
Requeste	er's email:	Sen.Erpenl	bach@legis	.wisconsin.g	ov				
Carbon	copy (CC:) to:								
Pre Top	oic:					······································			
No spec	ific pre topic gi	ven							
Topic:				***************************************					
Rrequire	e insurers to pay	providers if be	enefits are as	ssigned					
Instruc	tions:								
See attac	ched								
Draftin	g History:					,			
Vers.	<u>Drafted</u>	Reviewed	Typed	Proofed	Submitted	<u>Jacketed</u>	Required		
/?	pkahler 10/19/2009	jdyer 10/22/2009							
/P1			rschluet 10/22/200)9	mbarman 10/22/2009				
/1	pkahler 11/18/2009	jdyer 11/18/2009	mduchek 11/20/200		sbasford 11/20/2009				

LRB-3691 11/20/2009 10:51:02 AM Page 2

FE Sent For:

<END>

2009 DRAFTING REQUEST

Bill

Received.	10/15/2009	Received B	3 7*	nkahla	
Received.	10/15/2009	Received b	у.	pkame	л

Wanted: As time permits Identical to LRB:

For: Jon Erpenbach (608) 266-6670 By/Representing: Kelly Johnson-Becker

This file may be shown to any legislator: **NO**Drafter: **pkahler**

May Contact: Addl. Drafters:

Subject: Insurance - health Extra Copies:

Submit via email: YES

Requester's email: Sen.Erpenbach@legis.wisconsin.gov

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Rrequire insurers to pay providers if benefits are assigned

Instructions:

See attached

Drafting History:

<u>Vers.</u> <u>Drafted</u> <u>Reviewed</u> <u>Typed</u> <u>Proofed</u> <u>Submitted</u> <u>Jacketed</u> <u>Required</u>

rschluet 10/22/2009

/? pkahler jdyer 10/19/2009 10/22/2009

10/19/2009 10/22/2009 __

FE Sent For:

/P1

2009 DRAFTING REQUEST

Bill

Received: 10/15/2009	Received By: pkahler			
Wanted: As time permits	Identical to LRB:			
For: Jon Erpenbach (608) 266-6670	By/Representing: Kelly Johnson-Becker			
This file may be shown to any legislator: NO	Drafter: pkahler			
May Contact:	Addl. Drafters:			
Subject: Insurance - health	Extra Copies:			
Submit via email: YES				
Requester's email: Sen.Erpenbach@legis.wisc	onsin.gov			
Carbon copy (CC:) to:				
Pre Topic:				
No specific pre topic given				
Topic:				
Rrequire insurers to pay providers if benefits are assigned	ed			
Instructions:				
See attached				
Drafting History:				
Vers. Drafted Reviewed Typed Pro	oofed Submitted Jacketed Required			

FE Sent For:

/?

<END>

Kahler, Pam

From:

Johnson, Kelly

Sent:

Thursday, October 15, 2009 2:40 PM

To:

Kahler, Pam

Subject:

Assignment of Benefits Legislation

Attachments:

AOB Coalition Bill Draft Final Oct 09 (2).DOC

Hi Pam:

Here is what we received as their interpretation of what the proposal would look like, but in short it is a coalition of health providers (med society, hospitals, chiropractors, dentists, etc.) who came to us asking for legislation that would require insurers to honor a patient's request to issue payment directly to providers when the patient has signed an authorization for the assignment of benefits.

Thank you very much!!

Kelly



AOB Coalition Bill Draft Final...

Kelly Johnson-Becker

Office of State Senator Jon Erpenbach State Capitol Room 8 South Madison, WI 53707

PH: (608) 266-6670; (888) 549-0027

FX: (608) 266-2508

2009 - 2010 LEGISLATURE

2009	BILL
October 12, 2009 - Introduced	by
AN ACT to create 632.874 of stat	utes; relating to: direct payment to a health care
provider.	
Analysis by the l	Legislative Reference Bureau
a health care provider directly for any	nt provides coverage of health care expenses to pay covered services the provider provides to an der his or her claim for payment, reimbursement, o
For further information see the printed as an appendix to this bill.	state and local fiscal estimate, which will be
The people of the state of Wisconsin,	represented in senate and assembly, do enact as
follows:	•
Section 1. 632.874 of the statu	ites is created to read:
632.874 Payments to health c	are providers. (1) DEFINITIONS. In this section:
(a) "Assignment of benefits" m	neans any written instrument signed by an insured
or the authorized representative of an i	insured which assigns to a nonparticipating health
care provider the insured's claim for p	ayment, reimbursement, or benefits under a health
care plan. A copy of such instrument	shall be as valid as the original.
(b) "Health care provider" has	the meaning given in s. 146.81.
(c) "Health care plan" has the r	meaning given in s. 628.36.
(d) "Nonparticipating" means a	a health care provider that is not under contract
	services, items or supplies to insureds of the
insurer	

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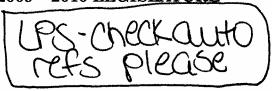
BILL

(2) REQUIREMENT TO HONOR ASSIGNMENT. Subject to any health care plan terms other than a limitation on an assignment of benefits, an insurer under a health care plan shall pay a nonparticipating health care provider directly for any covered services, items or supplies the health care provider provides to an insured under the health care plan when the health care provider has provided the insurer with an assignment of benefits with respect to such services, items or supplies.

7 (END)



State of Misconsin 2009 - 2010 LEGISLATURE



LRB-3691/X PI
PJK: 1....

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

(in 10-19)

(gan

AN ACT A: relating to: requiring an insurer to make payment directly to a

provider who provides the insurer with an assignment of benefits.

Analysis by the Legislative Reference Bureau

This bill requires an insurer that has issued a group or individual health insurance policy (palled) disability insurance policies in the statutes) to pay a health care provider (provider) directly for a service, item, or supply that the provider provides to an insured under the health insurance policy if the service, item, or supply is covered under the health insurance policy, the provider is not under contract with the insurer to provide services, items, or supplies to the insurer's insureds, and the provider provides to the insurer an assignment of benefits signed by the insured with respect to the provider and to the service, item, or supply. The bill defines an assignment of benefits as a written instrument signed by an insured or the insured's authorized representative that assigns to a provider the insured's claim for payment, reimbursement, or benefits under a health insurance policy.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 632.723 of the statutes is created to read:

632.723 Direct payment to health care provider. (1) In this section:

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1	(a) "Assignment of benefits" means a written instrument signed by an insured
2	or the authorized representative of an insured, that assigns to a health care provider
3	the insured's claim for payment, reimbursement, or benefits under a health care
(4)	plans disability insurance policy
5	(b) "Disability insurance policy" has the meaning given in s. 632.895 (1) (a).
6	(c) "Health care provider" has the meaning given in s. 146.81 (1).
7	(d) "Nonparticipating provider" means a health care provider that is not under
8	contract with the insurer to provide health care services, items, or supplies to
9	insureds of the insurer.
10	(2) An insurer issuing a group or individual disability insurance policy shal
11	pay a nonparticipating provider directly for a service, item, or supply that the
12	nonparticipating provider provides to an insured under the disability insurance
13	policy and for which there is coverage under the disablity insurance policy if the
14	nonparticipating provider provides to the insurer an assignment of benefits, signed
15	by the insured, with respect to the nonparticipating provider and to the service, item
16	or supply. An assignment of benefits in its original form or a legible photocopy or
17	electronic facsimile copy of an assignment of benefits is presumed to be valid.
18	Section 2. Initial applicability.
(19)	(1) Except as provided in subsection (2), this act first applies to payments for
20	services, items, and supplies that are provided on the effective date of this
21	subsection

(2) If a disability insurance policy that is in effect on the effective date of this

subsection contains a provision that is inconsistent with this act, this act first applies

2

to payments under the disability insurance policy for services, items, and supplies

that are provided on the date on which the disability insurance policy is renewed.

3 (END)

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DRAFTER'S NOTE FROM THE LEGISLATIVE REFERENCE BUREAU

LRB-3691 dn PJK: N:...

Do you want to limit the application of the bill to fee-for-service plans?

I have not included any cross-references in this version of the bill. Do you want the requirement to apply to state and local government plans under s. 40.51 (8) and (8m), local government self-insured plans under s. 66.0137 (4), school district plans under s. 120.13 (2) (g), cooperative sickness care plans under s. 185.981, and defined network plans, limited service health organizations, and preferred provider plans under ch. 609?

Do you envision that each assignment of benefits will be specific both to the actual service, item, or supply provided and to the provider, as drafted, or specific only to the provider, so that an insured will sign just one assignment of benefits for a provider and not each time a service, item, or supply is provided?

Pamela J. Kahler Senior Legislative Attorney Phone: (608) 266-2682

E-mail: pam.kahler@legis.wisconsin.gov

DRAFTER'S NOTE FROM THE LEGISLATIVE REFERENCE BUREAU

LRB-3691/P1dn PJK:jld:rs

October 22, 2009

Do you want to limit the application of the bill to fee-for-service plans?

I have not included any cross-references in this version of the bill. Do you want the requirement to apply to state and local government plans under s. 40.51 (8) and (8m), local government self-insured plans under s. 66.0137 (4), school district plans under s. 120.13 (2) (g), cooperative sickness care plans under s. 185.981, and defined network plans, limited service health organizations, and preferred provider plans under ch. 609?

Do you envision that each assignment of benefits will be specific both to the actual service, item, or supply provided and to the provider, as drafted, or specific only to the provider, so that an insured will sign just one assignment of benefits for a provider and not each time a service, item, or supply is provided?

Pamela J. Kahler Senior Legislative Attorney Phone: (608) 266–2682

E-mail: pam.kahler@legis.wisconsin.gov

Kahler, Pam

From:

Johnson, Kelly

Sent:

Tuesday, November 17, 2009 1:30 PM

To:

Kahler, Pam

Subject: FW: Assignment of Benefits

Please see below regarding LRB 3691

From: Maroney Lisa A [mailto:LMaroney@uwhealth.org]

Sent: Tuesday, November 17, 2009 1:21 PM

To: Johnson, Kelly

Cc: Mara Brooks; Leitch, Laura; Peter C. Christianson; Mark Grapentine; Michelle Leiker; Thomas E. Moore;

Borgerding, Eric

Subject: Assignment of Benefits

Kelly,

Thanks so much for your help on the assignment of benefit draft bill. The language is very close – we appreciate Pam's work on this bill and her help fine tuning the proposal. We have the following responses to her questions in the LRB 3691/P1 drafter's notes:

Do you want to limit the application of the bill to fee-for-service plans?

No, we do not want the bill limited to fee-for-service plans.

Do you want the requirements to apply to state and local government plans under s. 40.51(8) and (8m), local government self-insured plans under s. 66.0137(4), school district plans under s. 120.13(2)(g)?

We do not want the requirement to apply to government plans.

Do you want the requirement to apply to cooperative sickness plans under s. 185.981, and defined network plans, limited service health organizations, and preferred provider plans under ch. 609?

Our intent is for the requirement to apply to these plans. Our question for Pam: Is the reference to "disability insurance policies" in s. 632.895(1)(a) broad enough to include those plans or should the bill include the requirement in ch. 609 as well?

• Do you envision that each assignment of benefits will be specific both to the actual service, item, or supply provided and to the provider, as drafted, or specific only to the provider, so that an insured will sign just one assignment of benefits for a provider and not each time a service, item, or supply is provided?

Our intent is for an insured or an insured's representative to sign just one assignment of benefits for a provider generally and not each time a service, item, or supply is provided. Would the following changes accomplish this intent?

Page 2, line 3: Add "s" to "claim."

Page 2, line 11: Change "directly for a service, item, or supply ..." to "directly for any service, item, or supply ..."

Page 2, lines 15 – 16: Delete, "and to the service, item, or supply".

• Question for Pam: On page 2, lines 14-15, should "signed by the insured" be deleted since the "assignment of benefit" definition includes the requirement that the instrument be signed by an insured or



D- wite

the authorized representative of an insured?

Again, thank you for your help on what is a very important issue for all of our members.

Lisa Maroney UW Health State Legislative Liaison (608)265-1653 (608)206-5829 cell 635 Science Drive, Suite 150 Madison, WI 53711



State of Misconsin 2009 - 2010 LEGISLATURE

LRB-3691/F

PRELIMINARY DRAPT NOR READY FOR INTRODUCTION



pregnante 1

AN ACT to create 632.723 of the statutes; relating to: requiring an insurer to

make payment directly to a provider who provides the insurer with an assignment of benefits.

Analysis by the Legislative Reference Bureau

This bill requires an insurer that has issued a group or individual health insurance policy (each called a "disability insurance policy" in the statutes) to pay a health care provider (provider) directly for a service, item, or supply that the provider provides to an insured under the health insurance policy if: the service, item, or supply is covered under the health insurance policy; the provider is not under contract with the insurer to provide services, items, or supplies to the insurer's of insureds; and the provider provides to the insurer an assignment of benefits signed by the insured with respect to the provider and to the service, item, or supply. The bill defines an assignment of benefits as a written instrument signed by an insured or the insured's authorized representative that assigns to a provider the insured's claim for payment, reimbursement, or benefits under a health insurance policy.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 632.723 of the statutes is created to read:

632.723 Direct payment to health care provider. (1) In this section:

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1	(a) "Assignment of benefits" means a written instrument signed by an insured,
2	or the authorized representative of an insured, that assigns to a health care provider
3	the insured's claim for payment, reimbursement, or benefits under a disability
4	insurance policy.
5	(b) "Disability insurance policy" has the meaning given in s. 632.895 (1) (a).
6	(c) "Health care provider" has the meaning given in s. 146.81 (1).
7	(d) "Nonparticipating provider" means a health care provider that is not under
8	contract with the insurer to provide health care services, items, or supplies to
9	insureds of the insurer.
10	(2) An insurer issuing a group or individual disability insurance policy shall
11	pay a nonparticipating provider directly for a service, item, or supply that the
12	nonparticipating provider provides to an insured under the disability insurance
13	policy and for which there is coverage under the disability insurance policy if the
14)	nonparticipating provider provides to the insurer an assignment of benefits, signed
15	the insured, with respect to the nonparticipating provider and to the service, item,
16	or supply. An assignment of benefits in its original form or a legible photocopy or
17	electronic facsimile copy of an assignment of benefits is presumed to be valid.
18	SECTION 2. Initial applicability.
19	(1) Except as provided in subsection (2), this act first applies to payments for
20	services, items, and supplies that are provided on the effective date of this
21	subsection.
22	(2) If a disability insurance policy that is in effect on the effective date of this

subsection contains a provision that is inconsistent with this act, this act first applies

- to payments under the disability insurance policy for services, items, and supplies
- that are provided on the date on which the disability insurance policy is renewed.

3 (END)

J-vte

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2009-2010 DRAFTING INSERT FROM THE LEGISLATIVE REFERENCE BUREAU

INSERT 1-4

1	SECTION 1. 185.981 (4t) of the statutes, as affected by 2009 Wisconsin Act 28,
2	is amended to read:
3	185.981 (4t) A sickness care plan operated by a cooperative association is
4	subject to ss. 252.14 , 631.17 , 631.89 , 631.95 , 632.72 (2), 632.723 , 632.745 to 632.749 ,
5	632.85, 632.853, 632.855, 632.87 (2m), (3), (4), (5), and (6), 632.885, 632.895 (10) to
6	(17), and 632.897 (10) and chs. 149 and 155.
	NOTE: NOTE: Sub. (4h is shown as amended eff. 1-1-10 by 2006 Vis. Acts 14 and 28. Prior to 1-1-10 it reads as follows. The correct cross-references are shown in trackets. NOTE: (4t) A sickness tart plan operated by a cooperative association is subject to ss. 252. 14. 631.17, 631.89, 531.95, 632.72 (2), 632.745 to 632.749, 632.85, 662.853, (32.855, 632.87 (2ht), (3), (4), (3), (4), (5), ind (5) [s 632.87 (2ht), (3), (4), (5), and (6), 632.899 (10) to (15), and 632.897 (10) and chs. (49 and 155. History: 1971 c. 40 s. 93; 1914 c. 307 s. 118; 1975 c. 98; 1975 c. 223 s. 28; 1975 c. 224 s. 146; 1975 c. 421; 1981 c. 39 s. 22; 1981 c. 205; 1981 c. 391 s. 210; 1985 a. 29; 1983 a. 30 s. 42; 1987 a. 27 ss. 1917e, 3202 (47) (a); 1987 a. 312 s. 17; 1989 a. 121, 129, 200, 201, 336; 1991 a. 39, 123, 269; 1993 a. 27, 450, 481; 1995 a. 27, 118, 289; 1997 a. 27, 155, 237; 1999 a. 95, 115; 2003 a. 321; 2005 a. 194; 2007 a. 36; 2009 a. 14, 28.
9	a. 27, 155, 237; 1999 a. 95, 115; 2003 a. 321; 2005 a. 194; 2007 a. 36; 2009 a. 14, 28. SECTION 2. 185.983 (1) (intro.) of the statutes, as affected by 2009 Wisconsin
10	Act 28, is amended to read:
11	185.983 (1) (intro.) Every such voluntary nonprofit sickness care plan shall be
12	exempt from chs. 600 to 646 , with the exception of ss. $601.04, 601.13, 601.31, 601.41$,
13	601.42,601.43,601.44,601.45,611.67,619.04,628.34(10),631.17,631.89,631.93,
14	631.95, 632.72 (2), 632.723 , 632.745 to 632.749, 632.775, 632.79, 632.795, 632.85,
15	632.853, 632.855, 632.87(2m), (3), (4), (5), and(6), 632.885, 632.895(5)and(9)to(17), (19), (
16	632.896, and 632.897 (10) and chs. 609, 630, 635, 645, and 646, but the sponsoring
17	association shall:
18 20 21	NOTE: NOTE Sub, (1) (intro.) is shown as amended off. 1-1-10 by 2009 Wis. Acts 14 and 28. Prior to 1-1-10 it reads as follows. The correct cross-reforences are shown in brackets. NOTE: (1) Every such voluntary non-profit sckness care plan shall be exempt from chs 600 to 646 with the exception of ss. 601.04, 601.13, 601.31, 601.31, 601.42, 601.43, 601.44, 601.45, 611.67, 619.04, 628.34 (10), 631.17, 631.88, 631.93, 31.98, 632.72(2), 632.745 to 632.749, 632.776, 632.79, 632.79, 632.85, 632.853,
22	History: 1975 c. 98; 1975 c. 224 s. 146; 1975 c. 352; 1975 c. 422 s. 163; 1977 c. 339; 1979 c. 89; 1981 c. 20; 1981 c. 39 s. 22; 1981 c. 82; 1981 c. 39 s. 210; 1983 a. 189 s. 329 (25); 1983 a. 396; 1985 a. 29 ss. 2060d to 2060r, 3202 (30); 1987 a. 27, 325; 1989 a. 23, 31, 129, 200, 201, 336, 359; 1991 a. 39, 189, 250, 269, 315; 1993 a. 450, 481, 482; 1995 a. 289; 1997 a. 27, 155, 237; 1999 a. 95, 115; 2003 a. 321; 2005 a. 194; 2007 a. 36; 2009 a. 14, 28. SECTION 3. 609.71 of the statutes is created to read:



ens 1-4 conto

609.71 Direct payment under assignment of benefits. Limited service health organizations, preferred provider plans, and defined network plans are subject to s. 632.723.

(END OF INSERT 1-4)

DRAFTER'S NOTE FROM THE LEGISLATIVE REFERENCE BUREAU

Note.

LRB-3691/1dn
PJK:......

Thank you for the very clear redraft instructions.

In answer to the question concerning whether it is necessary to include a cross-reference to the requirement in ch. 609 (and in ch. 185), technically it would not be necessary to include the cross-reference in ch. 609 or in s. 185.981 (4t), but since the insurance requirements that apply to defined network plans and cooperative sickness care plans have historically been included as cross-references, I wouldn't want the lack of a cross-reference to be taken to mean that the requirement in s. 632.723 does not apply. The cross-reference in s. 185.983 (1) (intro.), however, is necessary.

In answer to the question about whether the phrase "signed by *the* insured" should be deleted from s. 632.723 (2) because it is included in the definition of "assignment of benefits," I thought it would be best to keep the phrase since the definition refers to the instrument being "signed by *an* insured." However, since the assignment of benefits may also be signed by the insured's representative, upon further thought I decided to modify the language so that the assignment of benefits is from the insured to the provider.

I did not change "claim" to "claims" in the definition of "assignment of benefits" because not all of an insured's claims under a policy would relate to the same health care provider. Also, under s. 990.001 (1), the singular form of a word includes the plural.

Although you do not want to specify that the requirement applies to government plans, I did not explicitly exclude them. I assume you would not have a problem with a government plan complying with the requirement if that occurred.

Pamela J. Kahler Senior Legislative Attorney Phone: (608) 266–2682

E-mail: pam.kahler@legis.wisconsin.gov

DRAFTER'S NOTE FROM THE LEGISLATIVE REFERENCE BUREAU

LRB-3691/1dn PJK:jld:md

November 20, 2009

Thank you for the very clear redraft instructions.

In answer to the question concerning whether it is necessary to include a cross-reference to the requirement in ch. 609 (and in ch. 185), technically it would not be necessary to include the cross-reference in ch. 609 or in s. 185.981 (4t), but since the insurance requirements that apply to defined network plans and cooperative sickness care plans have historically been included as cross-references, I wouldn't want the lack of a cross-reference to be taken to mean that the requirement in s. 632.723 does not apply. The cross-reference in s. 185.983 (1) (intro.), however, is necessary.

In answer to the question about whether the phrase "signed by *the* insured" should be deleted from s. 632.723 (2) because it is included in the definition of "assignment of benefits," I thought it would be best to keep the phrase since the definition refers to the instrument being "signed by *an* insured." However, since the assignment of benefits may also be signed by the insured's representative, upon further thought I decided to modify the language so that the assignment of benefits is from the insured to the provider.

I did not change "claims" in the definition of "assignment of benefits" because not all of an insured's claims under a policy would relate to the same health care provider. Also, under s. 990.001 (1), the singular form of a word includes the plural.

Although you do not want to specify that the requirement applies to government plans, I did not explicitly exclude them. I assume you would not have a problem with a government plan complying with the requirement if that occurred.

Pamela J. Kahler Senior Legislative Attorney Phone: (608) 266–2682

E-mail: pam.kahler@legis.wisconsin.gov

Kahler, Pam

From:

Sent:

Becker, Kelly Monday, December 14, 2009 12:37 PM Kahler, Pam LRB 3691

To:

Subject:

This LRB (3691)is ready for jacketing please! Thanks

Kelly BeckerOffice of State Senator JON ERPENBACH 27th District

Ph: 608-266-6670 Fax: 608-266-2508